

ASSEMBLY BILL

No. 1453

Introduced by Assembly Member Monning

January 5, 2012

An act to add Section 100509 to the Government Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 1453, as introduced, Monning. Essential health benefits.

Commencing January 1, 2014, existing law, the federal Patient Protection and Affordable Care Act (PPACA), requires a health insurance issuer that offers coverage in the small group or individual market to ensure that such coverage includes the essential health benefits package, as defined. PPACA requires each state to, by January 1, 2014, establish an American Health Benefit Exchange that facilitates the purchase of qualified health plans by qualified individuals and qualified small employers. PPACA defines a qualified health plan as a plan that, among other requirements, provides the essential health benefits package. Existing state law creates the California Health Benefit Exchange to facilitate the purchase of qualified health plans by qualified individuals and qualified small employers by January 1, 2014.

This bill would require the board of the California Health Benefit Exchange to, by March 1, 2013, submit to the Assembly Committee on Health and the Senate Committee on Health a recommendation for an existing health plan to set the benchmark for items and services to be included in the definition of essential health benefits as contemplated under PPACA and a specified federal bulletin. In developing this recommendation, the bill would require the board to collaborate with the Department of Managed Health Care, the Department of Insurance,

and other interested stakeholders and to take into consideration the benefits required to be covered by health care service plans. The bill would require the board to compare and contrast the options presented in a specified federal bulletin and would authorize the board to convene an advisory council to aid in its deliberations.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 100509 is added to the Government Code,
2 to read:

3 100509. (a) By March 1, 2013, the board shall submit to the
4 Assembly Committee on Health and the Senate Committee on
5 Health a recommendation for an existing health plan to set the
6 benchmark for items and services to be included in the definition
7 of essential health benefits, as contemplated under Section 1302
8 of the federal Patient Protection and Affordable Care Act (42
9 U.S.C. Sec. 18022) and the Essential Health Benefits Bulletin
10 issued on December 16, 2011, by the Center for Consumer
11 Information and Insurance Oversight within the federal Centers
12 for Medicare and Medicaid Services.

13 (b) (1) In developing the recommendation under subdivision
14 (a), the board shall collaborate with the Department of Managed
15 Health Care, the Department of Insurance, and other interested
16 stakeholder organizations. The board may convene an advisory
17 council to aid in its deliberations. The board shall compare and
18 contrast the options presented in the bulletin referred to in
19 subdivision (a), including use of any of the following as the
20 benchmark plan:

21 (A) One of the three largest small employer plans in the state.

22 (B) One of the three largest state employee health plans.

23 (C) One of the three largest federal employee health plan
24 options.

25 (D) The largest HMO plan offered in the state's commercial
26 market.

27 (2) In developing the recommendation under subdivision (a),
28 the board shall take into consideration all of the benefits required
29 to be covered by health care service plans under the Knox-Keene
30 Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing

1 with Section 1340) of Division 2 of the Health and Safety Code),
2 including, but not limited to, basic health care services, as defined
3 in subdivision (b) of Section 1345 of the Health and Safety Code
4 and Section 1300.67 of Title 28 of the California Code of
5 Regulations. The board shall propose statutory amendments
6 necessary to implement its recommendation and other conforming
7 amendments necessary to comply with the requirements of the
8 federal Patient Protection and Affordable Care Act, and the rules
9 and regulations issued thereunder, relating to essential health
10 benefits.

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